



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 28, 2004
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ARKANSAS ATTORNEY CHARGED WITH MONEY LAUNDERING AND OBSTRUCTION OF JUSTICE

WASHINGTON, D.C. – A Little Rock, Arkansas, attorney was charged today with conspiracy to commit money laundering and obstruction of justice in connection with a kickback scheme used to defraud a Troy, Michigan audio-visual company, the Department of Justice announced.

Charges were filed today in U.S. District Court in Detroit against Bobby Keith Moser for his involvement in the kickback and money laundering conspiracy. According to the charges, Moser and an executive of the Michigan audio-visual company willfully devised a scheme which permitted the executive to solicit and obtain money by false or fraudulent pretenses. Court documents allege that the Michigan company buys licensing rights from television and movie programmers, then packages the programming for retail sale on videotapes and DVDs.

The scheme allegedly allowed the executive to solicit or obtain more than \$3.5 million in kickbacks from programmers seeking contracts from his company. The executive conditioned his support in contract negotiations and award of any contract on the payment of a kickback to him, according to the charge. He allegedly solicited the kickbacks without the knowledge or authorization of his employer.

“This type of scheme deprives companies of their right to the honest services of their employees and to fair and competitive prices,” said James M. Griffin, Deputy Assistant Attorney General in charge of the Antitrust Division’s Criminal Enforcement Program.

According to the charges, from July to November 2001, Moser and others conspired to conduct financial transactions involving the proceeds and anticipated proceeds of the kickback scheme to conceal and disguise the unlawful activity.

These alleged financial transactions include having monies paid to separate corporations, using phony consulting contracts, purposely misidentifying the president of corporations purportedly doing consulting work, establishing multiple financial accounts to receive and distribute the monies, and establishing phony financial relationships between the executive and other conspirators.

Moser is also being charged with obstruction of justice for providing a grand jury sitting in the Eastern District of Michigan with altered and manufactured documents. “Providing altered or manufactured documents to a grand jury threatens the integrity of the grand jury process,” said Griffin. “The government will not tolerate that kind of behavior.”

The conspiracy to commit money laundering charge, in violation of 18 U.S.C. § 1956(h), carries a maximum penalty of twenty years in jail, three years of supervised release, and a \$500,000 fine. The obstruction of justice charge, a violation of 18 U.S.C. § 1503, carries a maximum penalty of ten years in jail, three years of supervised release, and a \$250,000 fine. The maximum fines may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine.

The charges announced today resulted from an ongoing federal antitrust investigation of anticompetitive conduct in the video duplicating and replicating industries. The investigation is being conducted by the Antitrust Division’s Cleveland Field Office with the assistance of the Detroit office of the Federal Bureau of Investigation.

Anyone with information concerning bid rigging, bribery, fraud, or money laundering in the retail video duplicating or replicating industry should contact the Cleveland Field Office of the Antitrust Division at (216) 522-4070 or the Detroit office of the FBI at (313) 237-4169.

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